



STATE OF MARYLAND

**DHMH**Office of Health Services  
Medical Care Programs

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor - Michael S. Steele, Lt. Governor - S. Anthony McCann, Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM**  
**Nursing Home Transmittal No. 195**

July 14, 2005

TO: Nursing Home Administrators

FROM: Susan J. Tucker, Executive Director  
Office of Health Services

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this memo.

**RE: Billing for Medicare Part A Coinsurance for Dates of Service Effective July 1, 2005**

For services provided on or after July 1, 2005 the Medicaid program will change the way it reimburses for Medicare Part A Coinsurance. This payment is for day 21 through day 100 of a dually eligible recipient's Medicare paid stay in a nursing home. The Program has developed the following procedure to accommodate this change. As an overview, providers will:

- Bill the Program for Medicare Part A Coinsurance at the full rate, currently \$114 per day.
- Receive Medicaid payment for the difference between the amount that Medicare paid and a projected amount, **based on the Medicaid per diem average of \$187.05**, of what Medicaid would have paid if the recipient was not eligible for Medicare, up to a ceiling of the coinsurance per diem rate (currently \$114).
- Document Medicaid payments and denials for coinsurance days for reporting purposes.

The specific procedure is as follows:

1. Provider bills Medicare for days of care that include Part A coinsurance days. Provider receives payment from Medicare and an Explanation of Benefits (EOB).

2. For days where Medicare's payment for coinsurance days is \$187.05 or greater, the provider bills revenue code 0101 electronically via the 837-I HIPAA electronic process for coinsurance days at \$114 per day. The Program will pay \$0.00 for these days. The provider will have documentation of \$0.00 payment and a remittance advice that states, "Payment for Medicare Part A Coinsurance Days is limited to Maryland Medicaid's obligation." Allowing providers to bill electronically when the payment is \$0.00 is intended to significantly reduce the number of paper claims.
3. For days where Medicare's payment is less than \$187.05, Medicaid will owe some amount. The provider bills the Program by paper on the UB-92 for coinsurance days at \$114.00 per day. The provider attaches the "Coinsurance Worksheet" (see below) and a copy of the Medicare EOB. The Program will allow the amount calculated on the "Coinsurance Worksheet." The provider will have documentation of a reduced payment and a remittance advice that states, "Payment for Medicare Part A Coinsurance Days is limited to Maryland Medicaid's obligation."
4. Regarding Patient Resource: Maryland Medicaid's monthly obligation, for example \$1000, is offset by any existing patient resource. If \$200 is available from the patient resource, Medicaid would allow the \$1000 and pay \$800. The patient resource is applied as part of Maryland Medicaid's obligation, not in addition to that obligation. If in the above example the available resource was \$1200, Medicaid would pay \$0.00 and the provider would collect only \$1000 of the available \$1200 resource. The provider may collect patient resource amounts only up to the difference between Medicaid's obligation (as calculated on the Coinsurance Worksheet) and Medicaid's payment. The provider may not collect patient resource in excess of the Medicaid obligation.

To receive the "Coinsurance Worksheet," send an email requesting the worksheet to Stephen Hiltner, Supervisor – Nursing Home Program at [hiltners@dnhm.state.md.us](mailto:hiltners@dnhm.state.md.us). Identify yourself and your nursing home in the email. Mr. Hiltner will attach a copy of the worksheet to the return email.

When you receive the return email, copy the attached file to your computer. Open the file. **The coinsurance worksheet is designed as a tool to determine electronic or paper billing. To complete the worksheet, enter data in the shaded boxes. If paper billing is indicated, follow the instructions in #2 above.**

Please find attached to this memo, two hard copy examples (filled in) of the coinsurance worksheet which illustrate the determination of both electronic and paper billing. Also attached is a question and answer sheet regarding billing for coinsurance days.

Please direct any questions regarding billing for Medicare Part A Coinsurance to Stephen Hiltner at 410 767-1447.

SJT/seh  
Attachments

cc: Nursing Home Liaison Committee

# **Billing for Medicare Part A Coinsurance for Services Provided on or after July 1, 2005**

## **Questions and Answers**

Question:

For services provided on or after July 1, if a nursing facility bills for a month where some of the days are Part A coinsurance days (where they anticipate a payment due from the State) and some are straight Medicaid days, does the nursing facility bill them all on the same paper claim? (Providers have to wait for the Medicare EOB before billing.)

**Answer:**

**No, providers should bill the straight Medicaid days electronically and the coinsurance days on paper, indicating the time span for each.**

Question:

After July 1, if a nursing facility bills for a month where some of the days are Part A coinsurance days for which they DO NOT anticipate a payment from the State and some are straight Medicaid days, does the nursing facility bill them all on the same electronic claim?

**Answer:**

**They can bill them on the same electronic claim or on separate electronic claims. If billed on separate claims the time spans must not overlap.**

Question:

If days within the same month are not all billed on the same format, what happens with patient resource? Is there a scenario where it may be taken out twice? What if an electronic claim for part of the month came in first, followed by a paper claim for the other part? What if all of the resource was taken up by the first claim? What if only part of the resource was taken up in the first claim?

**Answer:**

**The monthly patient resource will be accessed until it is exhausted; MMIS keeps track of how much has been used up in the case of multiple billings in the same month. There are no scenarios where it will be taken out twice.**

# COINSURANCE WORKSHEET

IF BILL BY PAPER IS INDICATED  
 ATTACH TO PAPER UB-92 FOR BILLING COINSURANCE DAYS - REVENUE CODE 0101  
 MEDICARE EOB (REMITTANCE) MUST ALSO BE ATTACHED

PROVIDER ENTERS DATA IN SHADED BOXES

PROVIDER NAME:	Feeling Good Nursing Home
PROVIDER MEDICAID#:	666666000
RECIPIENT NAME:	Linda Smith
RECIPIENT MEDICAID#:	0000000000

	MEDICARE NET REIMBURSEMENT	5000.00	
	COINS AMT	1710	
	MEDICARE DRG AMOUNT	6710.00	
	NUMBER OF DAYS BILLED ON MEDICARE CLAIM	20	
	AVERAGE DAILY RUGs RATE	335.50	
*Coinsurance amount is \$114 for 2005 days of service. The rate will change for 2006 days of service.	APPLICABLE COINS RATE PER DAY *	114.00	
	COINS DAYS	15	← must be a whole number
AMOUNT PAID BY MEDICARE FOR COIN DAYS		3322.50	
AMOUNT PAID PER DAY BY MEDICARE FOR COIN DAYS		221.50	187.05

MEDICAID'S OBLIGATION IS:	\$0.00
BILL ELECTRONICALLY	
FOR 15 DAYS OF REVENUE CODE 0101 AT 114.00 PER DAY FOR A TOTAL OF	\$1,710.00

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PROVIDER ENTERS DATA IN SHADED BOXES

PROVIDER NAME:	Feeling Good Nursing Home
PROVIDER MEDICAID#:	666666000
RECIPIENT NAME:	Linda Smith
RECIPIENT MEDICAID#:	0000000000

	MEDICARE NET REIMBURSEMENT	3000.00
	COINS AMT	1710
	MEDICARE DRG AMOUNT	4710.00
	NUMBER OF DAYS BILLED ON MEDICARE CLAIM	20
	AVERAGE DAILY RUGs RATE	235.50
<small>*Coinsurance amount is \$114 for 2005 days of service.                  The rate will change for 2006 days of service.</small>	APPLICABLE COINS RATE PER DAY *	114.00
	COINS DAYS	15
AMOUNT PAID BY MEDICARE FOR COIN DAYS		1822.50
AMOUNT PAID PER DAY BY MEDICARE FOR COIN DAYS		121.50
		187.05

← must be a whole number

MEDICAID'S OBLIGATION IS:		\$983.25
<b>BILL BY PAPER</b>		
FOR	15	DAYS
AT 114.00	OF REVENUE CODE 0101	
	PER DAY FOR A TOTAL OF	\$1,710.00